

To: Timothy Fisher[tjfisher@blm.gov]; Mara Alexander[malexander@blm.gov]
From: Wootton, Rachel
Sent: 2017-07-19T09:52:34-04:00
Importance: Normal
Subject: Fwd: National Monument Review - Draft Economic Reports - Quick Review
Received: 2017-07-19T13:09:41-04:00
Canyons of the Ancients ECON review DRAFT 7 13 17 COSO final edits.docx

Colorado is done with their review of Canyons. I haven't looked at it yet, but feel free to do so if you want!

Let's discuss our review/how we move forward on these tomorrow. My guess is Nikki will want to do a final review regardless!

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From: Schneckenburger, Chad <cschneckenburger@blm.gov>
Date: Mon, Jul 17, 2017 at 1:44 PM
Subject: Re: National Monument Review - Draft Economic Reports - Quick Review
To: Rachel Wootton <rwootton@blm.gov>
Cc: "Butts, Sally" <sbutts@blm.gov>, "Moore, Nikki" <nmoore@blm.gov>, "Stouffer, Megan" <mastouff@blm.gov>, Brian St George <bstgeorg@blm.gov>

Hi Rachel,

Attached please find a copy of the CANM Econ Report with a few minor edits from our staff. Greg Shoop has also reviewed this and concurs with it from the State Director level. Please let us know if you have any questions.

Cheers,
Chad

On Wed, Jul 12, 2017 at 9:32 AM, Butts, Sally <sbutts@blm.gov> wrote:

Hi All,

We have been given the opportunity to do a quick review of the draft Department of Interior economic reports for the eight BLM managed or co-managed National Monuments currently under review. The draft reports are for:

- ☐ Grand Canyon-Parashant
- ☐ Grand Staircase-Escalante
- ☐ Sonoran Desert
- ☐ Ironwood Forest
- ☐ Canyons of the Ancients
- ☐ Carrizo Plain
- ☐ Mojave Trails
- ☐ Vermilion Cliffs

If you would like to provide comments, please compile your state's comments in track changes within the attached reports and provide them on or before **Close of Business Thursday, July 20th**. Please email your state's comments to Rachel Wootton (rwootton@blm.gov) with a copy to me (sbutts@blm.gov) and Nikki Moore (nmoore@blm.gov) as soon as you have completed your comments, so that we can get them reviewed by the deadline and submitted back to the Secretary's office. The comments are due back to the Secretary's office by Friday, July 21st.

We have blocked out Tuesday afternoon, July 18, from 4-5pm EST to answer any questions you may have. The conference line and passcode for the meeting are:

- ☐ Conference Line (b)(5) CPI [REDACTED]
- ☐ Passcode (b)(5) [REDACTED]

Thank you so much for all the time and energy you and your staff have put in to make sure that we are providing DOI with the information they need. Please contact me with any questions.

Sally

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Canyons of the Ancients

Economic Values and Economic Contributions

DRAFT



Canyons of the
Ancients National
Monument

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Introduction

The purpose of this paper is to provide information on the economic values and economic contributions of the activities and resources associated with Canyons of the Ancients National Monument (CANM).¹

Background

Canyons of the Ancients National Monument spans 176,370 acres of Federally managed land in Montezuma County, CO, with a small portion extending into Dolores County, CO. It was designated in June 2000 for the purposes of ensuring protection of the area's cultural and natural objects, including the highest known density of archaeological sites in the Nation, as well as natural, geological, and biological resources. In 1985, this area was designated as an Area of Critical Environmental Concern (ACEC) due to the importance of the resources found there. In late 1990s, beginning with significant discussion of a legislative conservation designation, there was community support for the creation of a National Conservation Area, which ultimately led to the National Monument designation following extensive outreach, public scoping and comment periods, and tribal consultation.

Canyons of the Ancients National Monument

Location: Montezuma County, Dolores County, CO
 Managing agency: BLM
 Adjacent towns: Cahone; Pleasant View; Yellow Jacket; Lewis; Cortez, CO
 Tribal land: Ute Mountain Reservation
 Resource Areas:
☒ Recreation ☒ Energy ☒ Minerals
☒ Grazing ☐ Timber ☒ Scientific Discovery
☒ Tribal Cultural

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Local Economy and Economic Impacts

Montezuma County, with a population of 25,700 people², is home to less than 0.5% of the population of the State of Colorado. In recent years, the county has experienced slightly higher levels of unemployment and lower levels of median household income than the State. The County also has a significantly higher Native American population, with 11.5% of the population being of Native American descent versus less than 1% for the State. The Ute Mountain Reservation is within the County borders.

Activities and Resources

Information on the economic contributions associated with the activities occurring at Canyon of the Ancients National Monument are provided below.

- **Recreation:** A variety of recreation activities are available at CANM including: dispersed camping, hiking, hunting, horseback riding, biking, OHV riding, and viewing archaeological sites. In addition, the Anasazi Heritage Center, a premiere archaeological museum of the Ancestral Puebloan and other Native cultures of the Four Corners region, is located on the Monument. Visitation in FY16 was about 89,500 visits, which is associated with estimated value added of about \$4.7 million and approximately 80 jobs.
- **Energy:** There is oil, gas, and CO2 production within the Monument.
 - **Coal.** There have been no coal developments in the Monument area.
 - **Oil and gas.** There is oil, gas, and CO2 production within the Monument area. 95% of the production of oil, gas, and CO2 in Montezuma and Dolores counties is from within

¹ The BLM provided data used in this paper.

² 2011-2015 ACS, 5-Year Estimates, U.S. Census Bureau

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Monument boundaries. In 2016, there were approximately 111,060 bbls of oil, 436,564,707 mcf of natural gas, and 436,000,237 mcf of CO₂ produced in Montezuma and Dolores counties. These levels of oil and gas production are associated with estimates of about \$X in value added and Y jobs.

- There are 9 past-producing uranium/vanadium mines within the Monument boundaries that are no longer in operation.
- **Non-fuel minerals.**
 - There are little to no mineral resources within CANM and no records available for locatable mineral production.
- **Timber.** There is no commercial timber production in CANM either before or after the Monument designation, although the Monument allows for continued firewood cutting.
- **Grazing.** There are currently 23 existing grazing allotments with a total of about 6,800 permitted Animal Unit Month (AUMs)³. There has been an average of approximately 4,300 billed per year since the Monument was designated. Those AUMs were associated with economic output of about \$1.6 million and supported about 23 jobs. The Monument proclamation allows for the continuation of all pre-designation grazing activities.
- **Tribal cultural, archeological, and historic resources.** The CANM area is central to the historic and prehistoric territories of multiple tribes. Tribal consultation for the Monument is undertaken with 26 tribal entities, including the three federally recognized Ute tribes, the Navajo Nation, the Jicarilla Apache, and 21 different Puebloan tribes. Archaeological surveys show extensive use of the land within the Monument by ancient Native American cultures and as a contact point for multiple Pueblos, Ute bands, Navajo and Jicarilla Apache and cultural sites within the Monument include traditional cultural properties, sacred sites, and cultural landscapes. Prehistoric archaeological sites include rock art panels, occupation sites, campsites, and granaries. In addition, local ranching as a major focus of area livelihood and increased settlement dates back to the late 1800s, and continues to be an important cultural bond of local communities and families in the CANM area though the economic importance has diminished.

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Land Management Tradeoffs

This section presents some information to help understand land management tradeoffs. Decision-making often involves multiple objectives and the need to make tradeoffs among those objectives. However, tradeoffs and decision making are often subject to constraints, such as Monument designations. In general, market supply and demand conditions drive energy and minerals activity; societal preferences and household disposal income affect recreation activity levels; and market prices and range conditions affect the demand for forage. Culturally important sites and unique natural resources, by definition, have limited or no substitutes. A particularly challenging component of any tradeoff analysis is estimating the nonmarket values associated with CANM resources, particularly the nonmarket values associated with cultural and scientific resources.

³ BLM measures an AUM as the amount of forage needed to sustain one cow and her calf, one domestic horse, or 5 sheep or goats for one month. <https://www.blm.gov/programs/natural-resources/rangelands-and-grazing/livestock-grazing/fees-and-distribution>.

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Planning for permitted resource use on National Monuments will involve trade-offs among different activities on the land area being managed in order to allow permitted activities that are compatible with monument objects. Once designated, National Monuments continue to be managed under the multiple use mandate outlined in the Federal Land Policy and Management Act of 1976. In some cases, certain areas of the Monument may be appropriate for more than one use. After the careful consideration of tradeoffs, management decisions in those cases may prioritize certain uses over others. In other cases, land areas may be more appropriate for a particular use and activities could be restricted to certain areas of the Monument. These decisions are based upon whether a use is compatible with the designation. Factors that could inform these tradeoffs include demand for the good or activity, prices, costs, and societal preferences. Other considerations might include the timeframe of the activity - how long the benefits and costs of a given activity would be expected to extend into the future. Trust responsibilities and treaty rights should also be considerations.

In considering any trade-offs, it is not just the level and net economic value associated with an activity that occurs in a given year that is relevant to decision making. Virtually all activities within the Monument occur over time and it is the stream of costs and benefits over a given period of time associated with each activity that is relevant. For example, recreation activities could continue indefinitely assuming the resources required for recreation remain intact and of sufficient quality for individuals to remain interested in the activity. Likewise, the values associated with the natural and cultural resources could continue indefinitely provided they are not degraded by other activities (and assuming preferences do not change). Grazing could also continue indefinitely as long as the forage resource is sustainably managed and remains consistent with the protection of monument objects. Timber harvest may also continue indefinitely as long as the timber resource is sustainably managed. The stream of costs and benefits associated with some other non-renewable resources would be finite, however (assuming these activities were consistent with the designation). For example, oil, gas, coal and minerals are all non-renewable resources and would only be extracted as long as the resource is economically feasible to produce.

The total value or amount of energy or mineral production foregone as a result of the designation cannot be determined. Although information may exist (e.g. USGS Mineral Resource Data) on past or present mineral history, mineral potential or minerals that may be prospectively valuable within and around the monument, developing a total value or a total value as a result of the designation would be highly speculative. Classification information typically only describes or refers to the potential presence (occurrence) of a concentration of one or more energy and/or mineral resource. It does not refer to or imply potential for development and/or extraction of the mineral resource(s) or determine the feasibility. It also does not imply that the potential concentration is or may be economic, that is, could be extracted processed and transported profitably.

The available information is insufficient to allow a full understanding of management tradeoffs, such as how expanding any mineral development would affect recreational visitation and cultural and natural resources. A comprehensive evaluation of trade-offs would require a significant amount of research and additional analysis

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